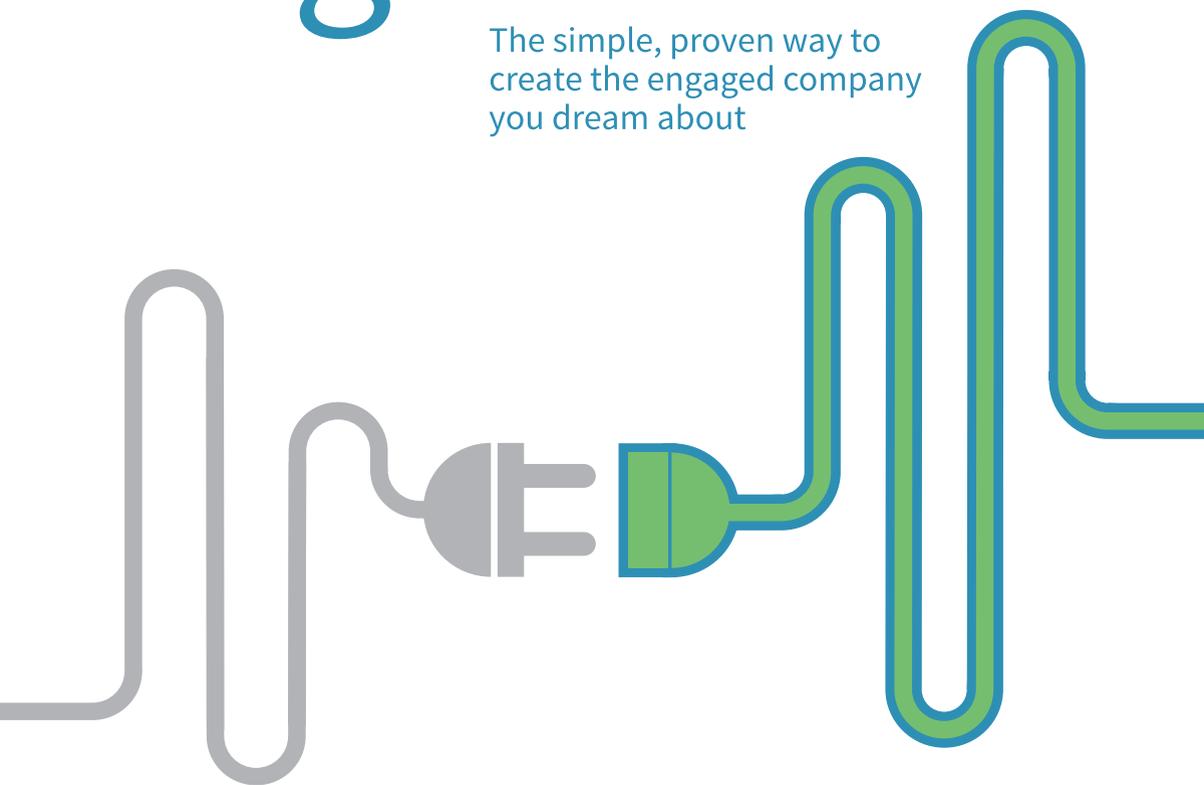


The Engaged Organisation

The simple, proven way to
create the engaged company
you dream about



Stefan Wissenbach

Founder of Engagement Multiplier

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Contents

- v *A Note of Gratitude*
- vii Introduction | **Engagement**
The electricity that enables everything else to multiply
- 1 Chapter 1 | **The Engaged Organisation**
The only four elements you need to master
- 7 Chapter 2 | **What's Your Organisation's Score?**
If you can measure it, you can improve it
- 21 Chapter 3 | **Facts and Myths**
Why engagement is critical to the success of your business
- 31 Chapter 4 | **Engaged Purpose**
The core of your Engaged Organisation
- 41 Chapter 5 | **Engaged Ownership**
You — The Chief Engagement Officer
- 57 Chapter 6 | **Engaged Leaders**
Empowering your growth integrators
- 71 Chapter 7 | **Engaged Employees**
Your front line: Where engagement meets the outside world

- 89 Chapter 8 | **Engaged Customers... and Relationships**
A self-multiplying resource
- 103 Chapter 9 | **The Company You Dream About**
Mastery of the magic
- 107 Chapter 10 | **The Engagement Multipliers**
Share your story and engage others
- 111 *Acknowledgements*
- 113 *About the Author*

A Note of Gratitude

To Dan Sullivan and Babs Smith

On the 24th of June 2013, Dan Sullivan, Babs Smith, and the team at Strategic Coach® hosted a meeting at the Park Hyatt Chicago for over 100 entrepreneurs. The subject: The Self-Managing Company.® I was speaking that afternoon on simple ways to raise engagement levels in business, an important focus for any owner that wants a Self-Managing Company.

After my presentation, Dan suggested I write another book, and *The Engaged Organisation* is the result.

But that's not all I have to thank Dan for.

In 1996, I joined The Strategic Coach Program® — the leading coaching program for entrepreneurs, founded and run by Dan and Babs. It has had a tremendous impact on my life and businesses. I've learned to be a better entrepreneur, and I've made many friends. Every ninety days, I have the opportunity to attend a coaching workshop where I have the pleasure of spending time with entrepreneurs who are building great businesses. It was in a Strategic Coach workshop that I had a business idea that would subsequently become a global exponential company: EngagementMultiplier.com.

Thank you, Dan and Babs, for raising my levels of thinking, for believing in me, and for inspiring me to create and grow Engagement Multiplier®. You witnessed the entrepreneurial journey and, when times got tough, were supportive and wise. I will always be grateful.

You have encouraged me to shoot for the stars and build a business beyond my wildest dreams.

Introduction

Engagement

The electricity that enables everything else to multiply

Engagement is magical. More specifically, the outcomes delivered by engagement are magical.

In the same way an accomplished magician delivers an extraordinary outcome that delights and astonishes, engagement transforms both lives and businesses from ordinary to extraordinary.

Ever since my teenage years I've been fascinated by the transformational power of engagement, both at a personal and a business level. I've seen how organisations that apply sound engagement principles become market leaders, and positively impact the lives of many. I've seen how, when we become engaged, life becomes more fulfilling and the greatest progress is made.

We're living in the engagement era. The transformational power of engagement is now widely understood, written, and talked about.

It's become a business hot topic. I've written this book because I believe the approaches taken by many consulting firms and businesses to improve engagement don't focus on the right areas, are often too expensive, are too complicated and don't deliver lasting results.

Fundamentally, many engagement programs are simply not engaging!

I believe creating an 'Engaged Organisation' requires:

- An understanding of the elements that make an Engaged Organisation
- The ability to measure and score engagement levels on an ongoing basis
- An understanding of simple engagement principles
- A top-down commitment to engagement
- An ongoing commitment to ensure that engagement becomes part of the organisation's culture

There's a very good reason why the subtitle of this book references the '*Company You Dream About*' — a deliberate play on words. This book can help you create the business you've always dreamt of — one that's easy to run; that seamlessly markets, sells, serves, and makes terrific profits; and that's ultimately saleable (if you want it to be). But of course, 'company' also refers to the people who surround us. In an Engaged Organisation, it's the people who make a business joyful to own and grow. We're surrounded by people who are committed, connected, and engaged. There's harmony and there's energy. They are fabulous 'company'. We spend so much of our time at work, and doing so with engaged people is much more enjoyable.

Great people, great energy, great products and services, and great profitability: Isn't that the business we all want?

This book will show you how to achieve exactly that.

In today's world, you can't afford not to focus on engagement. Engagement is not just a pleasant by-product in a business, but is rather the central cause of all personal and organisational development and expansion. It's the electricity that enables everything else to multiply.

Businesses that embrace engagement take on an energy level that results in consistent improvement and growth and ultimately, in many

cases, exponential outcomes.

And yet, *engagement* is one of those words everyone is using but not everyone understands. The purpose of this book is to explain what engagement is, why it matters so much, and how to create it in your organisation.

Here's my definition:

Engagement is the ability to be present, focused, and energised.

Wouldn't it be great if that were how everyone in your company felt? What kind of results could you create with a fully engaged team?

When you're engaged, your relationships are stronger, your happiness levels rise, you accomplish more, and you have the power to achieve your most difficult goals. Nowhere is this more evident than in the business world.

Engaged Organisations are easier to run — they make more money, suffer less waste, and are happier places to work.

The evidence is overwhelming, and yet many business owners still resist engagement. Or they dabble (dangerously) in it and then (unfortunately) abandon it, because they haven't quite managed to separate the myths surrounding engagement from the reality. If these reluctant business owners knew the statistics and understood how to set up a foolproof engagement framework, they would change their minds.

Engagement is important to businesses of every sector and size, from those with a handful of employees to those with tens of thousands. However, historically, only larger corporations have woken up to the massive commercial impact of improving engagement. Some of these corporations pay consultants tens of thousands of dollars to come in and try to make engagement happen. Others consult with academic experts, whose recommendations are often filled with technical jargon and theories that cause more confusion than clarity. In both cases, positive results can be difficult to realise.

Frankly, you don't need to pay an expensive consultant or academic expert to borrow your watch and tell you the time.

The keys to turning your organisation into an Engaged Organisation already exist within your business — you just need to know how to find them and use them.

People often don't give enough credit to the expertise and intelligence already available within their own businesses. In my experience, most organisations are full of untapped potential. With the right framework and systems in place, you will be able to understand what your engagement resources are, and how to best utilise them.

I have spent most of my entrepreneurial career providing people and businesses with the necessary structures to fulfil their potential and become sustainably more productive, profitable, and engaged.

By following my recommendations in this short book, you will be able to:

- Understand what makes an Engaged Organisation
- Establish your organisation's 'Engagement Score'
- Identify where you can best focus your resources for maximum benefit
- Create an Engaged Purpose for your organisation
- Engage your leadership in a unified strategy
- Make engagement a priority in your business (and ultimately make it part of your organisation's culture)
- Reduce your staff turnover and increase morale
- Improve your organisational efficiency (and profits!)

And, importantly:

- **Experience a sustainable lift in your own level of enthusiasm and engagement!**

These results may appear to be too good to be true. Yet history, research, and my own personal experience show that when you adopt the principles in this book, they are *all* attainable — and I will show you how.

In the following chapters, I'll reveal incredibly effective and easy-to-understand engagement tools and strategies that will give you the Engaged Organisation (and company) you dream about. This book will empower you to move your organisation, your team, and your levels of success upward for many years to come.

Here's to your Engaged Organisation, the energy it brings, and a dream realised!



Stefan Wissenbach

Chapter 1

The Engaged Organisation

The only four elements you need to master

'Begin with the end in mind.'

—Stephen Covey—

It is easier to complete a puzzle with a picture of the end result in front of you — and the same is true with an Engaged Organisation. In this chapter, I'm going to share with you what an Engaged Organisation looks like.

An Engaged Organisation is the result of four key elements that work together in a harmonious way. I will explain each of them now, and then I'll address each in detail in the following chapters.

The first and fundamental element of any Engaged Organisation sits at its core — the **Engaged Purpose**.



An Engaged Purpose is a written statement that clearly communicates to your team what your company does and why. It details the transformation you are trying to create.

The purpose emanates from the Engaged Owner — but it absolutely connects with the leaders and employees. It is communicated with passion to those inside and outside the organisation, and it is the most important piece of the puzzle. By connecting all the other parts, the purpose provides both the structure and the clarity that enables the organisation to become engaged.

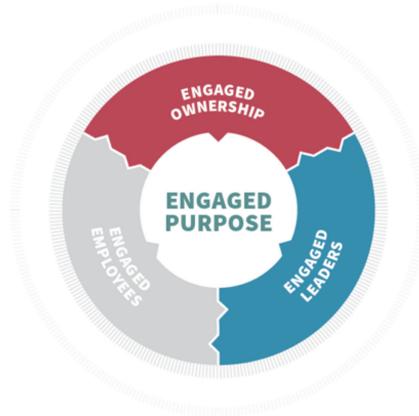
Provide the ‘why’ for all the functions within your business, and you will inspire your team members to align their daily activities with this higher purpose.

The next piece of the puzzle is **Engaged Ownership**.



Owners who are passionate about engagement within their organisations will experience its benefits — greater success and satisfaction at work and at home, higher profits, better relationships with employees and customers, and ultimately, a Self-Managing Company® or a business that can be sold (if you want to) for a handsome multiple. Becoming an Engaged Owner requires going the extra mile, but the prize of having the company you’ve always dreamt about is worth it!

The next piece of the puzzle is **Engaged Leaders**.



I use the term *leaders* instead of *managers*. You might prefer *managers*, *supervisors*, *team leaders*, or something unique to your organisation. Whatever the terminology in your company, when these people embrace the principles of engagement, they can rightfully be called Engaged Leaders.

As an Engaged Owner, it is critical that you build a team of Engaged Leaders. These people play a key part in turning the Engaged Purpose into reality, motivating and energising their teams to do the same. Leaders are essential to the creation of the final crucial piece of this puzzle: Engaged Employees.

Engaged Employees sit at the front line.



In most businesses, employees are where engagement meets the outside world. Without Engaged Employees, you will never have an Engaged Organisation.

It's these four essential elements that, when combined, create and *protect* the **Engaged Organisation**. Many engagement programs focus on creating engaged customers, but until a company has cultivated the four component parts I have described, focusing on customers is a mistake.

I can still clearly remember a 'Customer First' engagement program initiated at great cost at the first company I worked at, over 25 years ago. The program did deliver some initial benefits; however, because the organisation neglected to focus on the four critical elements, the results were short lived.

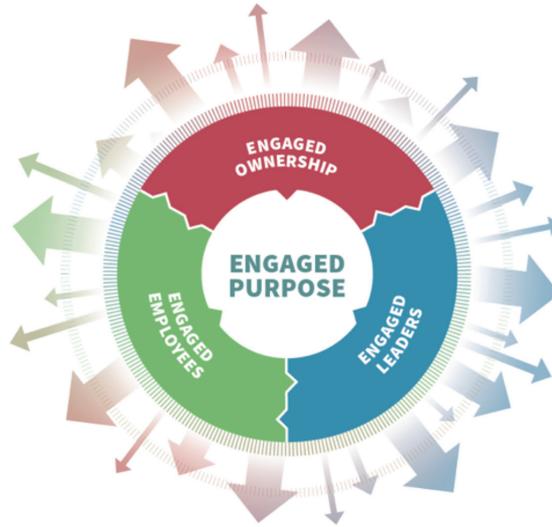
I passionately believe that every business should have an Engaged Purpose, and that engagement should begin as a top-down driven program, with owners and leaders initially taking responsibility. By setting an example for employees and following through on engagement initiatives, you will see the ownership for engagement shifting from being leadership-driven to team-driven.

Connected by a purpose and confident that engagement is supported by leaders and owners (and not just the latest fad), team members will habitually suggest and implement ideas to raise engagement levels and the company's engagement score. The business results will speak for themselves.

In an Engaged Organisation, the owners, leaders, and employees connect with each other around the purpose, protecting the organisation, preserving its values, and driving its growth and profitability.

As the components engage, your Engaged Organisation grows and becomes stronger. With these core elements locked in place, the impact travels — engagement spreads outward from your organisation into the rest of the world.

The energy emanating from an Engaged Organisation is palpable and impacts everyone who comes into contact with the business — not just the customers.



Engagement is contagious. An Engaged Organisation makes an impact on suppliers, consultants and media partners, as well as the families of those who work for the company and even the local community.

So just how engaged is your organisation right now? The way to measure your company's current level of engagement can be found in the next chapter.

Chapter 2

What's Your Organisation's Score?

If you can measure it, you can improve it

'That which is measured improves.

That which is measured and reported improves exponentially.'

—Karl Pearson, founder of the modern field of statistics—

Unless you can measure something, it's very difficult to improve it in a meaningful way. I regularly hear from business owners about how they take engagement seriously and complete many initiatives to improve engagement levels in their organisations. And yet, in most cases, they lack a consistent, reliable, and predictable method by which to evaluate the success of these initiatives and the return on investment in time and money that goes into them. This was one of the key reasons why I created the **Engaged Organisation Scorecard™**. The Scorecard gives you a score for your organisation, but it also gives you much more. It sparks creative, problem-solving thoughts and conversations. Likewise, humans respond best when provided with structure and frameworks within which they have freedom to operate.

In my early conversations with businesses about engagement, I realised very quickly that it was easy for confusion to exist across an organisation when it came to defining what was meant by 'engagement'. Having identified the elements of an Engaged Organisation,

I have been in rooms full of people and watched them silently score themselves. In less than ten minutes, they look up. They look around. They look toward me, and by the expressions on their faces I can see that they've discovered something that has been lurking right under their noses.

I set about defining each of them, based on one of the following four quadrants or organisational states: Dysfunctional, Fragmented, Successful, and Engaged.

I noticed immediately how easy it was for owners, leaders, and employees to position their business on the Scorecard and arrive at a score.

The **Engaged Organisation Scorecard™** is a simple, powerful tool that allows you to measure and continuously improve engagement in your organisation. The Scorecard turns the emotional feeling of engagement into a measurement.

I have been in rooms full of people and watched them silently score themselves. In less than ten minutes, they look up. They look around. They look toward me, and by the expressions on their faces I can see they've discovered something that has been lurking right under their noses. I see a-ha moments. I sense excitement, gratitude, and relief. And almost instantly, I see their realisation — 'I know what I need to do next.'

As soon as you measure the

present-day engagement of your organisation, you will see where you can begin to make improvements. The first time you use the Scorecard, you'll almost certainly notice that your score points to several areas in which you have already been contemplating making changes.

Most people have found the Scorecard to be an immediate game-changer and a long-term pathway to comprehensive, permanent engagement progress in their companies.

As a result of working with over a hundred businesses using the Scorecard, I decided to create an online engagement platform: Engagement Multiplier. This automates the manual process of using the Scorecard, introduces greater confidentiality, and saves time and effort for businesses, owners, and teams. The results are packaged for everyone in the organisation via digital dashboards, delivering additional insight and value. It's a unique and highly effective automated engagement program specifically built for entrepreneurs. More information exists at the end of this chapter and at EngagementMultiplier.com.

Now It's Time to Score!

There are three ways to discover your score:

- 1. Photocopy and use the Scorecard in this book**
- 2. Download and print the Scorecard**
- 3. Use Engagement Multiplier**

If you're an Engagement Multiplier customer, the scoring process will be completed confidentially online.

If you're using the book's Scorecard, it can be found on page 17.

If you're downloading the Scorecard, it can be found at:

EngagementMultiplier.com/en-gb/eobook

If you're using Engagement Multiplier, you can skip the five steps below. Otherwise, here's how I recommend you proceed:

Step One: Your Score. It all starts with *you*. The engagement level of your company starts with your own engagement as an entrepreneur or business owner. To obtain the most value from the Scorecard exercise, I recommend that you first complete the Scorecard yourself. Be as honest with yourself as possible.

Step Two: Your Leadership Score. After you've scored yourself, ask each member of your leadership to complete the Scorecard. Then meet with them to discuss and compare results. This step is fundamental and usually fun.

You can't build an Engaged Organisation if you can't engage in open dialogue with your leadership team. If you find you get stuck here, set a short-term goal to make the necessary changes to get your team talking. I can't overstate how valuable Step Two is. An honest, open discussion that includes everyone's views about the organisation's current level of engagement will put you on track immediately toward the creation of an aligned view of the present and the future. This simple exercise delivers invaluable insights. And again, you'll find it an unexpected source of energy as you and your team face the truth as never before!

Step Three: Your Employees' Score. Once a unified set of scores is settled upon during the leadership meeting, it's time to establish what the rest of the company thinks. Until the exercise is complete, I recommend that you keep any previously defined scores private so that no one is influenced beforehand. There's always the tendency for employees to tell management what

they think management wants to hear. In order for this exercise to be really successful, management needs to hear the unvarnished truth — confidentiality is key!

Whilst I recommended that members of the leadership team complete and discuss their scores in an open forum, I recommend that individual team members complete the Scorecard on an anonymous and confidential basis at first, because in my experience this delivers the most accurate results.

I also recommend that you provide team members with the opportunity to confidentially provide feedback and observations. At Engagement Multiplier, our automated survey asks two key questions:

1. What two actions could you personally take in the next ninety days, that aren't dependent on leadership, to improve overall engagement?
2. What one action do you think leadership could take to improve engagement?

Even after seeing thousands of Engagement Multiplier survey responses, I still find myself marvelling at the quality of the team feedback. Remember, confidentiality is key to getting the best results and truth.

People seldom use the feedback mechanism in a silly or unprofessional way. Instead, you find that comments are carefully considered. A mentor once told me, 'When people provide constructive feedback or criticism it's because, at some level, they care. What's more worrying is if they don't provide any feedback, as this can mean they've given up.' That's worth remembering.

Step Four: Compare Results! With a set of scores for both the leadership and team in place, you can review, compare, and reflect. The insights into where you are already an Engaged

Organisation — and where you need to improve — will be invaluable. With the scorecard results you will have a roadmap that not only opens up discussion but also makes very clear what needs to be done.

Step Five: Repeat! Again, you'll achieve and sustain your Engaged Organisation best if you regularly repeat the process of evaluating your organisation's scores, soliciting insights and feedback, and taking action. You never want to achieve Engaged Organisation status and then rest on your laurels. You will get tremendous value from using the Scorecard the first time, but that value has the potential to grow exponentially if you continue to track how your scores change over time. My recommended frequency is every ninety days, which is the frequency of our automated engagement surveys at Engagement Multiplier.

Keeping engagement at the forefront of everyone's thinking achieves valuable results. I also recommend you redo the scoring exercise after you have completed this book and acted on the insights it has sparked.

Persistence Prevails When All Else Fails

Before we move on, here is a serious note of caution: *Dabbling with engagement can cause disengagement.* If your team senses this is just a 'flavour of the month' exercise, they'll do what people in most organisations do — play a waiting game until they're certain that you've abandoned your interest in it and moved on to some other shiny thing. The best way to create engagement is to demonstrate your own personal, ongoing commitment to it. Otherwise, your people will perceive the endeavour as hollow and won't take it — or you — seriously.

Commit to a program of engagement. Stick to it. Acknowledge and share successes, and celebrate progress often. Engagement requires

bravery. You have to be prepared to listen to feedback and take action.

If, at this point, you feel unprepared to commit yourself and your team to maintaining a focus on engagement, you should pause before taking any action. All too often in business we see the launch of new initiatives with much fanfare and enthusiasm, only to then see the energy drain slowly away. We have seen some of the most promising initiatives grow derelict and forgotten — once lauded but now entirely ignored.

You have to be in the engagement game for the long haul. Remember, some of your team members will immediately embrace the Engaged Organisation program, whilst others will take a bit longer to come around to it, and some will fall off the wagon immediately. Do allow yourself and your team time to reflect on questions, re-evaluate processes, and perhaps even observe some of the benefits of engagement first, before you expect them to fully engage themselves.

Managed properly, you will enjoy some quick wins and experience the benefits of engagement immediately, but remember that evolution doesn't happen overnight. It takes time and ongoing focus to embed a culture of engagement into an organisation. Resist the urge to abandon your engagement efforts when you reach that first plateau — and you *will* reach a plateau. Stick to it. You'll ascend.

I sometimes hear business owners cite a concern about the amount of time it takes to manage an engagement program in the way I suggest and in the way we support businesses at Engagement Multiplier. The reality is that, done properly, the time impact is minimal. And the time gains outweigh the time costs. When teams become more engaged, they become more productive. There's less time wasted. Tasks are completed faster, with more innovation and more energy. To business owners who tell me they can't afford the time, my reply is simple: 'You can't afford to NOT invest the time.'

As soon as you start making moves toward greater engagement within your company, people will take notice. Those who want to be

more engaged will plug in and start growing; those who don't will go elsewhere. A bit of Darwinian science is involved with most human change: Those who aren't adaptable enough to engage will fall to the wayside. This is not your loss.

Yes, the world outside your organisation will always continue to change in ways that can't be predicted. But remember, an Engaged Organisation is strong and protected because it is cross-engaged, bonded, and linked together with a strong sense of purpose.

It doesn't serve you to waste a moment's time dwelling on all the imagined disruptive forces that threaten to undermine your engagement efforts. The only thing that can actually prevent you from striving for more engagement is your own unfounded fear. Consider all the reasoning we have presented for the positive outcomes associated with engagement. There is, in fact, more evidence to come.

With that in mind, let's set you up to create a more Engaged Organisation, wherein everyone involved is positively aligned and energised.

Base the future growth of your company on the Scorecard and it won't matter how the world changes. You and your organisation will always be improving, and therefore capable of meeting those unexpected challenges.

The Magic of Mastery

In the Introduction, I referenced how a great magician delivers an exceptional outcome when he performs a series of practised moves in front of an audience. A great magic trick dazzles whilst remaining a mystery to the observer. To the outsider, your Engaged Organisation may appear to work just like a magic trick. Those on the outside can't explain what is happening before their very eyes, nor do they believe they can duplicate the results.

But they can.

Great magicians achieve results through persistent practice. What appears to be magic is actually *mastery*, not mystery. And mastery delivers exceptional outcomes.

When business leaders establish their organisations' need for more engagement, and then practise, repeat, and master the 'moves' of engagement, the result is the same kind of exceptional outcome that delights the magician's audience.

And it feels magical.

EngagementMultiplier™

The permanent structure and framework that enables you to unlock your company's hidden engagement potential and create your Engaged Organisation

In response to demand for an automated, confidential, and anonymous program for measuring and improving engagement, I created Engagement Multiplier — the permanent structure and framework that enables you to unlock your company's hidden engagement potential and create your Engaged Organisation. The Engagement Multiplier Program™ leverages the power of exponential technologies to provide a simple, accurate, and effective way to measure and improve engagement every ninety days across any organisation.

Our unique approach, tools, platform, and insights empower team members to become more engaged and provide them with the clarity, confidence, and capabilities to create transformational change.

Companies that work with us experience immediate results — improved morale and energy, communication, productivity, and profits — all due to increased engagement.

This digital program provides a simple solution to sustainability, automatically surveying every individual member of your organisation every quarter.

The survey results and engagement scores are collated, analysed, packaged, and delivered to you and your team via personalised digital dashboards, along with insights and actions that can be taken to improve engagement.

You get to measure and track engagement and see your achievement of milestones and progress over time. You also become a member of a community of businesses all over the world focused on improving engagement and sharing valuable insight. Members also have access to an exclusive online resource library of interviews, podcasts, and guides on engagement.

For more information visit:

EngagementMultiplier.com/en-gb/eobook

The Engaged Organisation Scorecard™													
	DYSFUNCTIONAL			FRAGMENTED			SUCCESSFUL			ENGAGED			
	1	2	3	4	5	6	7	8	9	10	11	12	SCORE
ENGAGED PURPOSE	No Purpose, No Direction			Not Shared, Not Used			General Awareness			Clear, Shared, Connected			
ENGAGED OWNERSHIP	Trapped, Reactive, Overwhelmed			No Plan, No System			Closely Held Goals			Visionary Leadership			
ENGAGED LEADERS	Self-Centred Survival			Competing, Conflicting, Silos			Operational Execution			Growth Integrators			
ENGAGED EMPLOYEES	Shut Down, Fearful			Unmotivated, Minimum Effort			Satisfactory, Impersonal			Personal-Teamwork Alignment			
ENGAGED CUSTOMERS	Suspicious, Adversarial			Commoditised, Disposable			Productive, Conventional Relations			Everything Grows, Everybody Wins			
<h1>Engagement Multiplier™</h1>													
NAME							DATE			SCORECARD TOTAL			/60

The Engaged Organisation Scorecard™

		DYSFUNCTIONAL			FRAGMENTED		
		1	2	3	4	5	6
E N G A G E D	P U R P O S E	No Purpose, No Direction Non-existent or woefully out of date, the purpose is an inaccurate document that is never referenced and bears no relevance to the organisation's strategic direction, goals, and business activities. Without an effective core purpose, business activity is disorganised and inefficiency is commonplace.			Not Shared, Not Used A written purpose that is occasionally referred to by the senior team, but not often updated or utilised to drive strategic direction and business activities. It is not shared with the whole organisation, and as a result, most employees are unaware of the business's overall purpose and goals.		
		Trapped, Reactive, Overwhelmed Ownership feels trapped in reactive attempts to deal with cash flow, debt, and credit crises. As a result, they're disengaged from daily activities. Ownership doesn't care about the well-being of their workforce, nor recognise or appreciate their efforts. They value technology over people and aren't excited about their organisation's future.			No Plan, No System Owners are minimal, short-range goal setters, with no system for measuring achievement beyond financial results. They have few or no mechanisms in place to create an Engaged Organisation, because they don't truly understand the power of engagement and its impact. They view success purely in financial terms and don't 'know' their people and the true potential they can offer the organisation.		
E N G A G E D	O W N E R S H I P	Self-Centred Survival Due to the organisation's financial crises, leaders are forced into short-term survival strategies. They do not give or receive regular feedback, rarely conduct scheduled review meetings, and are not genuinely interested in team members' well-being. Leaders lack autonomy and responsibility to turn purpose into action. They often use their status to further only their own interests and have high staff turnover within their teams.			Competing, Conflicting, Silos Leaders plan and operate with a few business goals they focus on to maintain and improve upon their organisational status and rewards. They provide sporadic feedback to team members, but it is viewed as a necessary (but not rewarding) part of their role. They are only interested in employees performing their roles to satisfaction rather than their happiness and achievements.		
		Shut Down, Fearful 'A Players' are already gone, and remaining employees are hanging onto their jobs from one pay cheque to the next. They operate with a blame culture and are simply going through the motions by doing the minimum possible to get the job done. They do not engage or communicate with team members or leaders, nor do they set goals. They have no energy or passion for their work.			Unmotivated, Minimum Effort Employees are largely disengaged from both the purpose and goals of the organisation beyond ensuring continued job security and promotion. They usually work to the required standard and see their job as a means to pay bills, but no more. They may have some short-term personal goals, but they are not written down or shared with their colleagues or leaders. They're taking no proactive action to achieve them.		
E N G A G E D	L E A D E R S	Suspicious, Adversarial Relationships with customers are negative, time-consuming, and strained. The best customers are long gone, and those remaining withhold payment and constantly complain. Customers view their relationships with the organisation as short term and commit minimum effort and focus on protecting only their own interests. The organisation is considered difficult to deal with, and relationships feel like hard work, energy-zapping, and counter-productive.			Commoditised, Disposable The organisation fails to attract the best customers. Relationships with existing customers are run-of-the-mill, fickle, and price sensitive. Opportunities to grow the business relationship to the benefit of both the organisation and the customer are often missed. There's a lack of innovative thinking and mediocrity is the norm.		
		EMPLOYEES			EMPLOYEES		
E N G A G E D	E M P L O Y E E S	EMPLOYEES			EMPLOYEES		
		CUSTOMERS			CUSTOMERS		
E N G A G E D	C U S T O M E R S	CUSTOMERS			CUSTOMERS		
		CUSTOMERS			CUSTOMERS		

The Engaged Organisation Scorecard™						
SUCCESSFUL			ENGAGED			SCORE
7	8	9	10	11	12	
<p>General Awareness A written purpose that is kept up-to-date and usually referred to when driving strategy, direction, and business activities. The written purpose is shared with most people within the business so they are aware of the purpose, where to find it, and the role they play in supporting it.</p>			<p>Clear, Shared, Connected A clearly articulated, living, breathing, written purpose shared with every member of the business. It is regularly used and updated as context for creating a sustainable business model, whilst driving strategy, direction, and business activities the leadership has confidence in. Everyone in the business feels connected to and excited by the organisation's ultimate purpose, goals, and how the business will achieve them. Relationships with the organisation's customers are aligned with and support the purpose.</p>			
<p>Closely Held Goals These are committed goal-setting owners, but share their goals with only a few individuals. They have some mechanisms in place to help their organisation progress and develop, and offer fair reward and recognition to their teams. They take some time to get to know people in their organisation and are open-minded to the power of engagement.</p>			<p>Visionary Leadership Ownership has written plans for its own future and a purpose it's passionate about. They embrace change and innovation and are on a forward trajectory. Ownership shares their inspiration and motivation. They are genuinely concerned about their employees, actively encouraging them to fulfil their own potential. They lead by example and are passionate about creating an Engaged Organisation.</p>			
<p>Operational Execution Leaders support the goals of the owners and organisation, but communicate only within the framework of the organisation's operating and growth structures. They often give and receive team member feedback and conduct planned reviews that are purely focused on business objectives at least once per year. They have some knowledge of engagement, but don't always have a system in place to effectively apply that knowledge.</p>			<p>Growth Integrators Leaders are passionate about the organisation's goals. They break down barriers, putting people first by getting to know them, showing appreciation, and encouraging a culture of self-improvement. They feel connected to ownership and empowered to proactively translate purpose into action. Leaders engage in effective, regular communication and feedback with team members and conduct open, two-way reviews on at least a quarterly basis.</p>			
<p>Satisfactory, Impersonal Employees are engaged with the organisation's success goals. They contribute to team activities when asked and proactively prepare for annual reviews, sometimes actively seeking feedback on an ongoing basis. They feel their organisation supports their professional growth and that their leaders are supportive. They have confidence in the business's leadership and direction and generally enjoy coming to work.</p>			<p>Personal-Teamwork Alignment Employees, inspired by the goals of ownership and leaders, use their progress and success in the workplace as a foundation for greater personal futures. They understand how their role contributes to the organisation's success, often suggesting improvements to enhance either their own performance or that of the business. They enjoy trusting, open communication with their leaders and bring their "whole selves" to work.</p>			
<p>Productive, Conventional Relations The organisation as a whole attracts and cultivates successful, growth-oriented customers and provides excellent products and services to them. Interaction with customers is business-like and successful, but sometimes lacks fun, inspiration and '10X thinking'.</p>			<p>Everything Grows, Everybody Wins The organisation cares about its customers and passionately, abundantly, and contagiously multiplies its 'goals culture' to positively impact relationships with them. It attracts proactive, positive feedback, and customers go the extra mile to nurture the relationship, regularly providing referrals and, in turn, become more engaged themselves. Interaction is enjoyable, productive, energising, and often doesn't feel like work.</p>			
NAME / DATE / SCORECARD TOTAL						/60

Chapter 3

Facts and Myths

*Why engagement is critical
to the success of your business*

*‘The facts fairly and honestly presented;
the truth will take care of itself.’*

—William Allen White, *Sage of Emporia*—

Still need some convincing about the power of engagement?

When we are fully engaged with the task at hand, we are more aware, more active, and more focused on what we’re doing. When we are not engaged, we go through the motions, and we don’t give the task our undivided attention.

Think of what happens when you’re watching a big game and you’re an avid, enthusiastic fan of one of the teams. You cheer when your team scores, you shout at the referee when your team is penalised, and you pound your fists on the table when the other team scores. You are engaged with what you’re observing — maybe so much that others observing your behaviour think you’re nuts!

Now think about the experience of watching a game if you don’t really care about either team. You love the sport, so you’ve turned the game on, but as it goes on, you find yourself easily distracted. If someone were to ask you the score, you might not even know. Your mind may drift elsewhere, or you may get so bored you end up falling asleep on the couch.

In the first instance, you're completely involved and excited about every play made in that game. In the second instance, you are barely aware of what's happening. Yet in both cases, the sport on the screen is the sport you love. What's the difference?

The difference is your *level of engagement*.

This same principle applies to the people who work for you. They could be totally passionate about their jobs — watching for every pass, every interference call, every fumble — or they could be uninterested and easily distracted.

They could even be napping during the game!

Most likely, your team lies somewhere between these extremes. But one thing is painfully obvious: The lower the engagement level of your organisation, the lower your people's productivity and motivation. The leader of a *disengaged* organisation is caught in a downward spiral, and he often feels little hope. This lack of passion and energy filters into every aspect of the business, and thus becomes a self-perpetuating cycle.

The business and the individuals working in it become trapped in survival mode. Whilst the owner frets about making payroll and paying bills, the disengaged employees do the minimum amount of work. They feel no motivation to work harder, smarter, or faster.

The evidence supporting the power of engagement is overwhelming. Here is just an example:

According to the Corporate Leadership Council, Engaged Organisations grow profits up to three times faster than their competitors. They also report that highly engaged companies are able to reduce staff turnover by eighty-seven percent.¹

The evidence is indisputable: Engagement helps you make more

¹ 'Driving Performance and Retention Through Employee Engagement', Corporate Leadership Council Executive Summary, 2004

money — a *lot* more. It also helps you retain the valued team members who are critical to helping you realise those profits. Study after study shows that Engaged Organisations hire for growth, rather than just to maintain the status quo. Engaged Organisations look forward, and their team members look forward to coming to work.

Now, contrast that with this shocker of a statistic:

Eighty-seven percent of workers around the world are NOT engaged with their jobs.²

Sadly, **almost nine out of ten workers** don't care much about what they do as long as they get paid, according to the most recent Gallup worldwide business study.

How many of these disengaged individuals work for you? Worse still, how many of them come to your workplace each morning and barely work at all?

Most businesses are *not realising their full potential* — *and they don't even know it.*

Note how workers who are not engaged compare to workers who are:

- Engaged employees working remotely without a supervisor actually *work more hours at their jobs* than do those who are on site but not engaged.
- According to Gallup, an Engaged Organisation enjoys an overwhelming host of benefits, including fewer sick days, higher employee retention, higher profits, higher productivity, fewer job-related accidents, fewer quality errors, better customer service, and higher customer loyalty.

Every business owner understands the importance of hiring the

² Gallup report, *State of the Global Workplace*

right people, and yet statistics show that the disengagement problem is costing the US economy alone **\$450 billion to \$550 billion per year**.³ Furthermore, the average cost of replacing a disengaged employee runs up to 213 percent of his or her salary.⁴ Clearly, you can bring on all the right people and organise all the right teams, but if you fail to engage them, you'll have spent your time and money unwisely.

Groups are at their most powerful when members are fully engaged. When individuals align strongly with their organisation's purpose, they are invested in that organisation's productivity. These are the people who leap out of bed every morning and show up ready, willing, and able. The 2014 *State of the American Workplace* Gallup poll I referenced a moment ago reported that:

- **The top twenty-five percent of engaged companies have significantly higher productivity, profitability, and customer ratings; less turnover and absenteeism; and fewer safety incidents than those in the bottom twenty-five percent;**
- **Those businesses with more engaged workers also experienced 147 percent higher earnings per share (EPS) compared to their competition.**

Gallup has conducted an employee engagement assessment every two to four years since the 1990s, analysing data from hundreds of organisations in dozens of industries worldwide. Every year, studying over one million employees, they confirm there is a well-established connection between employee engagement and job performance.

Engagement is proven to have a much greater effect on your employees' well being than company benefits — it drives performance more than do the fanciest company policies or perks. Leaders who focus on their

3 2014 Gallup report, *State of the American Workplace*

4 Center for American Progress

employees' strengths can practically eliminate disengagement and *double* the average level of employee engagement in their organisations.

Engage people and they'll become happier. Happier people will engage more enthusiastically, and you will have created a 'virtuous circle' — the opposite of the vicious circle about which we've all heard so much.

When organisations become engaged, they see happiness levels rise. When engagement levels rise, efficiency and profits rise, too. Growth becomes easier. The multinational business management consultant firm Accenture found that organisations that invested just another ten percent in engagement initiatives increased their profits by **\$2,400 per employee — that's about £2,000.**

So if a lack of engagement is so perilous, why doesn't everyone automatically flock to create engagement initiatives?

If hundreds of studies have proven that engagement is effective, why have so many business owners not yet grasped its importance or taken action to improve engagement levels in their businesses?

I think it's because the consulting firms specialising in engagement are focused on the larger corporations. Smaller businesses, typically those with fewer than 500 employees, are poorly supported when it comes to strategies to measure and improve engagement. They often have great legal, financial, and accounting advisors but don't have anyone to help them with engagement. In my experience, even small to medium-sized businesses benefit significantly from focusing on engagement.

I've also noticed that business owners believe a number of myths about engagement. It's worth us discussing three of the most prevalent ones.

Three Engagement Myths

Myth #1: Engagement is a nicety, not a necessity!

Many business owners (particularly in the up-to-500-employee group) say, 'Engagement is all very well, but I'm not sure it would make much

of a difference in my business if we focused on it. My staff seems happy enough and the business is running well. It's a *nice* to have rather than a *need* to have.'

Oh, how wrong they are.

To begin with, most businesses have no idea how engaged their people are because they have no way of measuring it. My extensive experience measuring employee engagement — both with the Scorecard and with EngagementMultiplier.com — shows that, in the majority of cases, actual employee engagement levels differ from the levels perceived by the owners.

The Engaged Organisation Scorecard not only lets you measure engagement, it shows you what better engagement looks like and how to get there. If you provide the right structure and framework, you'll improve your company's engagement level — and quickly realise that doing so is a necessity, not a nicety.

Take the example of Fabick CAT, a company with more than 600 employees headquartered in the US. Fabick CAT sells, rents, and repairs Caterpillar construction equipment.

Back in 1999, when Doug Fabick took over the company from his father, he decided to assess the company's engagement level.

The initial diagnosis was pretty dire: A study of Fabick's workforce indicated that only sixteen percent — one in six employees — could be described as engaged.

Having studied engagement research, Fabick firmly believed that increasing this percentage would pump serious profit back into the company's system. Over the next seven years, the company put \$500,000 into engagement initiatives designed to help team members connect more strongly with their work roles. The end result was phenomenal. Whilst overall revenues increased by fifteen percent, actual profits increased by **100 percent** because of added efficiency savings — bringing in *an extra \$3 million* to the company and a whopping *600 percent ROI* on that

\$500,000 investment!⁵

The good news is that you don't have to spend large sums to improve engagement. You don't have to be a large company with a huge bank balance to implement change. The truth is, with this book, you have everything you need to become an Engaged Owner, running an Engaged Organisation full of Engaged Leaders and Teams who take care of Engaged Customers.

**Myth #2: If you want employees to be happy,
just give them more money!**

When it comes to career satisfaction and money, there is one huge misunderstanding about what matters most:

- **A full eighty-nine percent of employers believe workers leave to make more money, when in reality...**
- **Only twelve percent of employees leave for that reason!**⁶

It makes you wonder why the other eighty-eight percent of employees leave, doesn't it?

Engagement does *not* grow simply as a result of a higher pay cheque. Think about all the athletes who earn eight-figure salaries, only to prove to be total busts! Alas, the same phenomenon happens in the business world (albeit with fewer zeros on the cheques).

According to the HR consulting company Towers Watson, the single most important driver of engagement is the extent to which people believe that senior management *has a sincere interest in their well-being*. When you demonstrate that you care, you acquire something money can't buy.

Here's another indication that engagement is about more than just money: According to a poll conducted by *Parade Magazine* in 2012, about

⁵ Jennifer Robison, 'A Caterpillar Dealer Unearths Employee Engagement', *Gallup Business Journal*, October 12, 2006

⁶ Leigh Branham, *The 7 Hidden Reasons Employees Leave*, AMACOM Books, 2012

thirty-five percent of American workers would turn down a big pay rise in favour of getting the chance to see their supervisor fired instead! That points to a widespread engagement problem. If more supervisors and people at the top knew how to engage, I'm certain the percentage of employees wishing them ill would drop drastically.

That's not to say that people don't appreciate being paid at a fair rate. Of course it's essential to be paid well to do what you love and what you're great at. But positive engagement *trumps money* in most employees' minds, and more businesses must recognise that and act on it.

Myth #3: Employees don't care about engagement.

This myth is often cited alongside the idea that money is what motivates people to come to work.

In fact, most employees want to be engaged. It's *disengaging organisations* that create disengaged employees.

Dr. Jim Harter, Chief Scientist of Workplace Management and Wellbeing at Gallup, has studied corporate culture for more than twenty-eight years, investigating why so many people feel disengaged in the workplace. His key finding: 'Most people come to work well intentioned and only turn sour when their basic needs aren't being met. You have to get the basics right if you want great engagement.'

Imagine what you can do if you focus on that word 'basic' and take it up a few notches. When you implement the basics of engagement, the good intentions that new employees arrive with not only remain good — they get even better.

Most people these days have dedicated a significant amount of time and money to earning their university degrees, or have set aside resources for continuing education and self-improvement in their careers. Most people have carefully chosen their careers so that what they do on a daily basis and where they spend the majority of their time *matters* to them.

In order to squash Myth #3, we must become like the teacher who

assumes on the first day of school that everyone in class is capable of earning an A. Assume the best of your employees and put structures in place to continually engage them, because they are coming to you seeking exactly that (even if they don't initially know it).

All evidence points to the fact that Engaged Organisations are better, more successful, and easier to run. You were drawn to this book for a reason: Engagement matters to you, and you know it begins with you. You are most likely already working in a successful and at least partly engaged environment — but because you are always striving for greatness, you know there is more, and you want it.

When you embrace engagement, you not only benefit from a business that's easier to manage, you become known as a business owner who inspires and attracts the best talent. In the process of becoming more fully engaged, you develop a team that delivers outstanding results — not because they have to, but because they *want* to.

The successful Engaged Owner has set into place a framework that runs flawlessly *because of its people*. When people are engaged, the business moves from strength to strength. Finances run smoothly and well, but that is almost beside the point. Engaged Owners don't just build a business up in order to sell it for a pile of money. Passion and lifestyle motivate them, and that trickles down. Engaged Owners care about the lives and goals of the people they have working with them, and when the employees know this, everyone becomes motivated to give 110 percent.

The facts point to this essential truth: **Engagement is critical to the lifeblood of a business.**

Let's now look in more detail at each of the elements that make an Engaged Organisation.

Thank you for downloading sample chapters from *The Engaged Organisation™*.

Now, are you ready to start building your own Engaged Organisation™?

Engagement Multiplier™ makes it easy to create your own Engaged Organisation with easy-to-use tools and expert guidance to measure and continuously improve your company's engagement.

Learn more at engagementmultiplier.com.

